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GROUND WATER QUALITY BUREAU (GWQB)
DISCHARGE PERMIT RENEWAL
PYRAMID PEAK MINING LLC – BANNER MILL
Issued under 20.6.2 NMAC

Return Receipt Requested
Certified Mail No:

Facility Name:	Banner Mill
GWQB Discharge Permit No:	DP-1651
GWQB TEMPO Al Number:	1772
Permittee Name/Responsible Party:	Pyramid Peak Mining, LLC
Mailing Address:	9650 Gateway Drive, Suite 202 Reno, NV 89521
County:	Hidalgo County
Permitting Action:	Renewal
Effective Date:	Draft
Expiration Date:	Draft
Facility Location:	State Highway 494 Lordsburg, NM 88009
NMED Permit Contact:	George Llewellyn, (575) 956-1549
E-mail Address:	George.Llewellyn@state.nm.us

Rebecca Roose, Director **Date**
Water Protection Division
New Mexico Environment Department

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Part A GENERAL INFORMATION

A100 Introduction

A. The New Mexico Environment Department (NMED) issues this Discharge Permit Renewal, DP-1651 (Discharge Permit) to Pyramid Peak Mining LLC (permittee) pursuant to the New Mexico Water Quality Act (WQA), NMSA 1978, §§ 74-6-1 through 74-6 -17, and the New Mexico Water Quality Control Commission (WQCC) Regulations for Ground and Surface Water Protection, 20.6.2 NMAC. NMED is issuing this Discharge Permit to control the discharge of water contaminants from the Banner Mill Site (Mill Site) for the protection of groundwater and those segments of surface water gaining from groundwater inflow, for present and potential future use as domestic and agricultural water supply and other uses, and to protect public health.

B. Pursuant to this Discharge Permit, the permittee is authorized to discharge a maximum of 246,000 gallons per day (gpd) of tailings slurry to the Tailings Impoundment or the Decant Cells. Regulated discharges also include impacted stormwater runoff and leachate from the ore stockpiles and the dry stack tailings facility. These discharges may move directly or indirectly into groundwater of the State of New Mexico which has an existing concentration of 10,000 milligrams per liter (mg/L) or less of total dissolved solids (TDS) within the meaning of 20.6.2.3104 and Subsection A of 20.6.2.3101 NMAC. The discharges may contain water contaminants or toxic pollutants above the standards of 20.6.2.3103 NMAC.

C. The permittee is authorized to discharge water contaminants pursuant to this Discharge Permit which contains conditions authorized or specified by Part 20.6.2 NMAC (WQCC Regulations) on condition that the permittee complies with the WQCC Regulations and this Discharge Permit, which are enforceable by NMED.

A101 Applicable Regulations

A. The discharges associated with this discharge permit are not subject to any of the exemptions of 20.6.2.3105 NMAC.

B. Groundwater quality as monitored through the on-site monitoring well(s) is subject to the criteria of Sections 20.6.2.3101 and 20.6.2.3103.

A102 Permit Duration

A. Pursuant to NMSA 1978, Section 74-6-5(I) and 20.6.2.3109.H NMAC, the term of this Discharge Permit shall be for the fixed term of **five (5) years** from the effective date.

B. If the permittee submits an application for renewal in accordance with Subsection F of 20.6.2.3106 NMAC at least 120 days before the permit expires and the permittee is not in violation of the discharge permit on the date of its expiration, then the existing discharge permit shall not expire until the application for renewal has been approved or disapproved.

A103 Terms of Permit Issuance

A. Permit Fees - The permittee shall remit a permit fee payment equal to the applicable permit fee listed in 20.6.2.3114, Table 1 NMAC at the time of discharge permit approval. [20.6.2.3114.C and 20.6.2.3114.F NMAC]

B. Transfer of Discharge Permit - Prior to the transfer of any ownership, control, or possession of this permitted facility or any portion thereof, the permittee shall notify the proposed transferee in writing of the existence of this Discharge Permit and include a copy of this Discharge Permit with the notice. The permittee shall deliver or send by certified mail to NMED a copy of the notification and proof that such notification has been received by the proposed transferee. [20.6.2.3111 NMAC]

C. Permit Renewal - To renew this Discharge Permit and to meet the provisions found in 20.6.2.3106.F NMAC, the permittee must submit an application and associated fees for renewal, or renewal and Modification at least 120 days prior to the expiration date of this Discharge Permit.

Part B FACILITY SPECIFIC INFORMATION

B100 Facility Description

A. The Mill Site utilizes a rock crusher, ball mill and flotation circuit to process gold-bearing ore from the Summit Mine. Ore is initially placed on the Coarse Ore Stockpile, then processed through the Rock Crusher and the output from the Rock Crusher is deposited on the Fine Ore Stockpile, which is used as feedstock for the Ball Mill where the ore is pulverized. The pulverized ore is then fed to the Flotation Circuit where metal-bearing minerals are recovered.

B. Tailings slurry from the milling process is conveyed either to the Tailings Decant Cells where most of the solids settle out of the tailings slurry or they are conveyed directly to the Tailings Impoundment. Decant water from the Tailings Decant Cells is conveyed to the Tailings Impoundment and decanted water from the Tailings Impoundment is pumped via a floating pump to the Reclaim Water Tank from where it is transferred to the mill for use as process water. Tailings from the Decant Cells is placed in the Dry

Stack Area to be shipped off site for possible industrial uses. Figure 1 attached to this Discharge Permit shows the major mill units and general layout of the Mill Site.

C. Other Ancillary Facilities and Structures – In addition to the major facilities identified above, there are several support facilities and structures dispersed across the Mill Site. These include water tanks, access roads, office facilities, a shop/warehouse building, and pipelines.

B101 Permitting History

A. The Discharge Plan for DP-1651 includes information and materials submitted as part of the original plan approved on November 16, 2009, renewed and modified May 2, 2014, the renewal application dated January 25, 2019, and materials contained in the administrative record prior to issuance of this Discharge Permit.

B102 Location, Groundwater, and Characteristics of the Discharge

A. The mill units regulated pursuant to DP-1651 are located approximately 4.5 miles southwest of Lordsburg, NM in Sections 14 & 23, T23S, R19W, Hidalgo County, New Mexico.

B. The depth to groundwater beneath the facilities regulated pursuant to this Discharge Permit is approximately 710 feet below ground surface and had a pre-discharge TDS concentration of approximately 1800 mg/L.

C. Discharges regulated pursuant to DP-1651 exceed the groundwater quality standards of Section 20.6.2.3103 NMAC for fluoride, manganese, sulfate and TDS.

B103 Authorized Mill Units

The permittee is authorized to manage the discharge of water contaminants through operation of the following mill units pursuant to this Discharge Permit. This Discharge Permit contains requirements associated with the following mill units as identified in the application and the administrative record as of the effective date of this Discharge Permit.

A. Mill Area – The Mill Area includes the Rock Crusher, Coarse Ore Stockpile, the Fine Ore Stockpile, the Ball Mill, Thickener Tank, and the Mill Building which contains the Flotation Circuit. The Rock Crusher has the capacity to process approximately 400 tons of ore per day. The Flotation Circuit uses clarified water from the Tailings Impoundment supplemented by water from the Banner Mine No. 2 Shaft.

B. Decant Cells – At the time of issuance of this Discharge Permit, one Decant Cell had

been partially constructed. Upon completion, there will be 3 Decant Cells consisting of an 8-inch thick concrete slab with a 50-foot long flat floor and a 40-foot ramp inclined at a 10% gradient. A 60-mil high density geomembrane liner is placed below the slab and berms are constructed around the concrete decant cells.

1. Tailings are deposited on the active Decant Cell using a single tailings discharge pipeline. Water is decanted using outlet pipes located in the cell walls and trench drains located in the cell floor. The tailings are removed from the Decant Cell when they have drained to a water content that allows them to be loaded and spread in the Dry Stack Area. Decanted water is discharged to the Tailings Impoundment.

C. Dry Stack Area – The tailings removed from the Decant Cells is spread in the Dry Stack Area in approximately 2-foot thick lifts and allowed to dry. Prior to placement of a subsequent lift, the tailings are nominally compacted by equipment traffic. Stormwater runoff from the Dry Stack Area discharges to the Tailings Impoundment.

D. Tailings Impoundment – The Tailings Impoundment is lined with a 60 mil HDPE liner and is located in a small arroyo. The tailings dam is constructed in accordance with the design approved and permitted by the Office of the State Engineer (OSE) Dam Safety Bureau. The Tailings Impoundment is nearing capacity and a proposal to raise the dam 20 feet to provide additional capacity has been submitted to the OSE Dam Safety Bureau for review and approval and has been approved by the New Mexico Mining and Minerals Division (MMD).

E. Mill Site Pond – The Mill Site Pond collects stormwater runoff from the Coarse Ore Stockpile, the Fine Ore Stockpile, and the Mill Area. Water used in the laboratory is collected in a segregated drain system and conveyed by buried pipe to the Mill Site Pond. The Mill Site Pond is synthetically lined with a 60 mil HDPE liner and has a capacity of 4-acre feet. Water collected in the Mill Site Pond is disposed of through evaporation.

F. Diversion Channels – Stormwater run-on is diverted around the Mill Area, Tailings Impoundment, Decant Cells, Dry Stack Tailings and the Mill Building via the North, South, and Upper Mill Diversion Channels. All diversion channels are designed to convey flows from a 100-year, 24-hour storm event.

B104 Authorized Discharges

The permittee is authorized to discharge water contaminants and operate the following mill units as described below and in accordance with all applicable systems design and operational constraints as described in this Discharge Permit.

A. The permittee is authorized to place ore on the existing Coarse Ore Stockpile, the two proposed Coarse Ore Stockpiles, and the Fine Ore Stockpile. The ore shall be placed within the authorized footprints of the Ore Stockpiles as described in C100.A.

B. The permittee is authorized to discharge a maximum of 246,000 gpd of tailings slurry to the Decant Cells for slurry dewatering and/or directly to the Tailings Impoundment. [20.6.2.3109 NMAC]

C. The permittee is authorized to operate and manage discharges associated with the froth flotation circuit located within the Mill Building.

D. The permittee is authorized to discharge decant water from the Decant Cell(s) to the Tailings Impoundment. [20.6.2.3109 NMAC]

E. The permittee is authorized to pump decant water from the Tailings Impoundment to the Reclaim Water Tank to use as process water in the mill. [20.6.2.3109 NMAC]

F. The permittee is authorized to operate the Mill Site Pond to collect and evaporate impacted stormwater. [20.6.2.3109 NMAC]

G. Septic tanks and associated leach fields

H. This Discharge Permit authorizes only those discharges specified herein. Any unauthorized discharges such as spills or leaks must be reported to NMED and remediated as required by Section 20.6.2.1303 NMAC, and any additional requirements listed in this discharge permit.

Part C FACILITY SPECIFIC REQUIREMENTS

The permittee shall conduct the requirements set forth below to ensure compliance with the applicable requirements of 20.6.2 NMAC.

C100 Ore Stockpiles

A. The footprint of the existing Coarse Ore Stockpile, the two proposed Coarse Ore Stockpiles, and the footprint of Fine Ore Stockpile shall not exceed 0.15 acre each. At least 30 days prior to construction of the proposed two additional Coarse Ore Stockpiles, the permittee shall submit to NMED for approval a topographic map of appropriate scale showing the location and footprint of the existing Coarse and Fine Ore Stockpiles and the proposed Coarse Ore Stockpiles. The map shall include the location of the Mill Site Pond and show the flow paths of runoff from all ore stockpiles.

C101 Tailings Impoundment

A. The permittee is authorized to increase the capacity of the Tailings Impoundment in accordance with the June 2013 submittal titled *Banner Mill Tailings Dam Enlargement Plans and Specifications,* included as Attachment B-5.1 to the June 21, 2013 Application for Discharge Permit Renewal and Modification. Enlargement of the Tailings Impoundment shall not be performed until the final plan for the dam raise is approved by the New Mexico Office of the State Engineer (NMOSE). The permittee shall submit to NMED a copy of the final approved plan within 30 days of NMOSE approval and prior to the start of construction.

1. Sheet 4 included with the Banner Mill Tailings Dam Enlargement Plans and Specifications dated July 2013 shows the proposed replacement well for Monitoring Well 1 (MW-1) located approximately 150 feet southwest of MW-1. The proposed replacement well shall be located within the deepest part of the alluvial channel. Within 45 days of the effective date of this discharge permit, the permittee shall submit to NMED for approval a proposal indicating how the deepest part of the alluvial channel will be determined.

2. A minimum of 30 days prior to construction of the replacement well, the permittee shall submit to NMED for approval cross sections across the channel showing the deepest part of the alluvial channel and the proposed location of the replacement well.

3. Within 45 days of completion of the Tailings Impoundment enlargement, the permittee shall submit to NMED an as-built construction report which includes detailed as-built plans and specifications, an as built topographic map of the Tailings Impoundment and surrounding area that includes the stormwater diversion channel, and construction photographs if available. The as-built construction report shall also include a construction quality assurance and construction quality control report pertaining to the installation of the synthetic

liner.

C102 Decant Cells

A. The proposed Decant Cells shall be constructed and operated in accordance with the June 2013 submittal titled *Banner Mill Dry Stack Tailings Design and Operating Plan,* included as Attachment B-5.2 to the June 25, 2013 Application for Discharge Permit Renewal and Modification. Within 45 days of completion of the Decant Cells, the permittee shall submit to NMED an as-built construction report which includes detailed as-built plans and specifications, an as-built topographic map of the facility and surrounding area that includes the stormwater diversion channel, stormwater flow paths from the facility, and construction photographs if available. The as-built construction report shall also include a construction quality assurance and construction quality control report pertaining to the installation of the synthetic liner(s).

1. Tailings slurry with the potential to impact water quality as determined by the testing required in Condition C105.F below shall not be directed to the Decant Cells and shall be conveyed directly to the lined Tailings Impoundment.

C103 Dry Stacked Tailings Unit

A. The proposed Dry Stacked Tailings Unit shall be constructed and operated in accordance with the June 2013 submittal titled *Banner Mill Dry Stack Tailings Design and Operating Plan,* included as Attachment B-5.2 to the June 25, 2013 Application for Discharge Permit Renewal and Modification. Within 45 days of completion of the construction of the diversion channel and grading in preparation for placement of the Dry Stacked Tailings Unit, the permittee shall submit to NMED a topographic map of the Dry Stacked Tailings Unit area showing the final configuration of the area including the diversion channel and flow directions of runoff from the Dry Stacked Tailings Unit.

C104 Stormwater Management

A. Within 120 days of the effective date of this Discharge Permit, the permittee shall submit to NMED for approval a stormwater management plan that describes stormwater management operations and details of how stormwater will be managed to insure the capacities of the Storm Water Pond, conveyance channels, berms, dikes and the Tailings Impoundment are not exceeded in the event of an extreme rainfall event(s).

B. Stormwater run-on shall be routed around the Mill Area, Tailings Impoundment, Decant Cells, Dry Stack Tailings Facility, and the Coarse and Fine Stockpiles via the North

Diversion, South Diversion, and Upper Mill Site Diversion Channels.

C. Stormwater run-off from the Mill Site area including seeps and runoff from the Coarse and Fine Grained Ore Stockpiles, and Dry Stack Tailings Facility shall be routed to the Mill Site Pond.

C105 Inspections, Monitoring and Reporting

The permittee shall conduct the following inspections, monitoring, reporting and other requirements listed below. Tables 1, 2 and 3 attached to this Discharge Permit provide a summary of monitoring and reporting requirements.

A. **Inspections**

1. The permittee shall inspect all conveyance channels, the Storm Water Pond, berms, dikes, pipelines, and the Tailings Impoundment monthly for evidence of damage, indications of leaks or potential breaching, excessive erosion, excessive sediment buildup, or stormwater accumulation that exceed design capacity or intended function of the facility. Findings shall be reported as required in Condition C105.J below.

2. The permittee shall inspect the Tailings Impoundment Dam on a monthly basis for the presence of any seepage or leaks. If any seepage or leaks are discovered the permittee shall verbally notify NMED within 24 hours of discovery and corrective action must be taken as required by Section 20.6.2.1203 NMAC. The permittee shall sample the seepage and analyze for the water parameters listed in Condition C105.E1 a, b, and c below.

3. The permittee shall report the results from the inspections in the semi-annual monitoring reports specified in Condition C105J below.

B. **Ore Characterization**

Prior to processing ore from sources other than the Summit Mine, the permittee shall characterize the ore according to the following procedures, using standard EPA methods.

1. A minimum of three independent composite samples shall be collected using the Incremental Sampling Methodology (http://www.itrcweb.org/ism-1) or equivalent.

2. Samples shall undergo mineralogical analysis, including identification and

estimation of the percentage of acid generating and acid neutralizing minerals.

3. Samples shall be analyzed for whole rock analysis for the elements listed in Condition C105.E.1.d

4. Samples shall be analyzed for acid-base accounting to determine acid generation and neutralizing potential, and to determine sulfur forms.

5. Determine the leaching characteristics of the ore using the Synthetic Precipitation Leaching Procedure (SPLP) on samples collected pursuant to Condition C105.B.1. The leachate derived from this procedure shall be analyzed for the parameters listed in Conditions C105.E.1.d using standard EPA methods.

6. Results of the characterization shall be submitted to NMED for approval a minimum of 30 days prior to processing of ore from sources other than the Summit Mine. If the results of the characterization indicate the ore may be acid generating, NMED may require actions at the Mill Site to accommodate the ore.

C. **Groundwater**

1. The permittee shall sound MW-1 and the No. 2 Banner Mine Shaft on a quarterly basis to determine if water is present. In the event water is present in MW-1 and the No. 2 Banner Mine Shaft, the permittee shall record the depth to water and elevation above mean sea level (MSL) to the nearest hundredth of a foot (0.01 ft) and measure and record field parameters listed in Condition C105.E.1.a below.

2. If water is present in the shaft or well the permittee shall collect samples and analyze for the water parameters listed in Condition C105.E1 a, b and c below.

3. Analytical results for the groundwater samples shall be submitted in the semi-annual monitoring reports specified in Condition C105.J below.

D. **Pond Water**

1. The permittee shall collect water samples quarterly from the Tailings Impoundment Decantation Pond and analyze for the water parameters listed in Condition C105.E.1 a, b, and c below.

2. The permittee shall collect water samples quarterly from the Mill Site Pond and analyze for the water parameters listed in Conditions C105.E.1 a, b, c, e, and f below.

3. The permittee shall submit the analytical results for all surface water samples in the semi-annual monitoring reports specified on Condition C105.J below.

E. **Analysis**

1. The permittee shall analyze the Tailings Impoundment and Decantation Pond water for total and dissolved concentrations of the analytes listed below. Samples of groundwater and seeps shall be analyzed for dissolved concentrations of the analytes below.

   a. Field parameters (analysis to be performed in the field): temperature, pH, electrical conductivity.

   b. General chemistry parameters: calcium, magnesium, sodium, potassium, carbonate, bicarbonate, sulfate, chloride, nitrate, fluoride, and total dissolved solids.

   c. Metal parameters: aluminum, arsenic, barium, beryllium, cadmium, chromium, cobalt, copper, iron, lead, manganese, mercury (total concentration only), molybdenum, nickel, selenium, silver, uranium, and zinc.

   d. Custom Ore inorganic parameters: aluminum, arsenic, boron, cadmium, calcium, chloride, chromium, cobalt, copper, cyanide, fluoride, iron, lead, manganese, mercury (total concentration only), molybdenum, nickel, combined radium 226 and 228, potassium, sodium, selenium, uranium and zinc.

   e. Organic parameters: Total Petroleum Hydrocarbons (TPH).

   f. Total Kjeldahl Nitrogen (TKN) and Nitrate (NO3-N).

   g. Analytical results shall be reported as required in Conditions C105.J.

F. **Tailings Discharge**

1. The permittee shall collect a tailings slurry sample quarterly from an active discharge location and analyze the solid fraction for whole rock analysis and acid-base accounting.

2. Analytical results shall be submitted in the semi-annual monitoring reports specified on Condition C105.J below.

G. **Discharge Volumes**

1. The permittee shall record the weekly volume of tailings slurry discharged to the Tailings Impoundment, using a totalized flow meter on the tailings discharge line.

2. The permittee shall record the weekly volume of water produced from the No. 2 Banner Mine Shaft using a totalized flow meter on the discharge line.

3. All flow meters shall be calibrated and kept operational at all times.

4. The permittee shall report the flow volumes (tailings slurry and water produced from the No. 2 Banner Mine shaft) measured as required in Condition C105.J below.

H. **Water Elevations**

1. Using a staff gage (located in the Mill Site Pond and Tailings Impoundment Pond) labeled with elevations indexed to a base site elevation monument, the permittee shall measure the surface elevations of each pond quarterly, at the same time the water is sampled.

2. The permittee shall report the results from the measurements in the semi-annual monitoring reports specified on Condition C105.J below.

I. **Meteorological Data**

1. The permittee shall measure and record the total daily precipitation at the Mill Site. The data shall be submitted with the semiannual monitoring reports specified in C105.J.

J. **Reporting**

1. The permittee shall submit monitoring reports to NMED on a semi-annual schedule that that contain all quarterly monitoring data and information collected pursuant to requirements of this discharge permit. Semi-annual reports are due by the last day of January and July of each year. Reports shall include:

   a. A summary of all relevant activities at the facility during the preceding six months. These activities shall include without limitation operational activities, daily flow volumes, spills, maintenance, repairs, well drilling, water management, construction or demolition of structures, closure activities, ore and tailings analysis, and precipitation;

   b. A single table showing water quality data in columns and monitoring sites in rows, including a column showing the applicable water quality standard. Values exceeding applicable water quality standards under the WQCC Regulations in 20.6.2.3103.A NMAC shall be shown in bold-faced type. Only those constituents analyzed and water levels measured during a single

sampling event shall be included. Tabulated electrical conductivity shall include the measured field values. Monitoring sites shall be shown in rows. Any constituent not analyzed for a particular site shall be shown as "NA," any site not sampled shall be shown as "NS," and any site not measured for water levels shall be shown as "NM." Any such entry shall be accompanied by a note explaining why the site was not sampled, the constituent was not analyzed, or the water level was not measured. The table shall be submitted in electronic (Microsoft Excel) format;

c. Electronic copies of the signed laboratory analyses and laboratory QA/QC sheets; and

d. Graphs showing water quality and water level trends with the previous 3 years of data. Water quality graphs shall include trends for the following Mill Site Pond constituents: pH, conductively, TDS, sulfate, manganese, Aluminum, Arsenic, Calcium, Chloride, Copper, Fluoride, Iron, Lead, Manganese, Potassium, Sodium & TKN.

K. General Sampling and Analytical Methods

Unless otherwise approved in writing by NMED, the permittee shall conduct sampling and analysis in accordance with the most recent edition of the following documents:

1. American Public Health Association, Standard Methods for the Examination of Water and Wastewater (18^{th}, 19^{th} or current)

2. U.S. Environmental Protection Agency, Methods for Chemical Analysis of Water and Wastewater

3. U.S. Geological Survey, Techniques for Water Resource Investigations of the U.S. Geological Survey

4. American Society for Testing and Materials, Annual Book of ASTM Standards, Part 31. Water

5. U.S. Geological Survey, et al., National Handbook of Recommended Methods of Water Data Acquisition

6. Federal Register, latest methods published for monitoring pursuant to Resource Conservation and Recovery Act regulations.

7. Methods of Soil Analysis: Part 1. Physical and Mineralogical Methods; Part 2. Microbiological and Biochemical Properties; Part 3. Chemical Methods, American Society of Agronomy

C106 Closure Plan

A. Closure of facilities regulated under this Discharge Permit shall be performed in accordance with the approved closure plan. Any changes to units associated with the Banner Mill may require adjustments to the closure plan and financial assurance.

C107 Financial Assurance

A. The permittee shall maintain the existing and any revised joint financial assurance with NMED and the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department in an amount sufficient to cover the cost of a third party to implement the NMED and MMD approved final closure plan. The financial assurance shall ensure that funds will be available to implement the closure plan if at any time the permittee is unable, unwilling, or otherwise fails to implement closure of the facility. [20.6.2.3107A(11) NMAC]

Part D GENERAL CONDITIONS

General Conditions for all Discharge Permits issued by the Groundwater Quality Bureau pursuant to 20.6.2 NMAC are listed below.

D100 Enforcement

A. Any violation of the requirements and conditions of this Discharge Permit, including any failure to allow NMED staff to enter and inspect records or facilities, or any refusal or failure to provide NMED with records or information, may subject the permittee to a civil enforcement action. Pursuant to the NMSA 1978, Section 74-6-10(A) and (B), such action may include a compliance order requiring compliance immediately or in a specified time, assessing a civil penalty, modifying or terminating the discharge permit, or any combination of the foregoing; or an action in district court seeking injunctive relief, civil penalties, or both. Pursuant to the NMSA 1978, Section 74-6-10(C) and Section 74-6-10.1, civil penalties of up to $15,000 per day of noncompliance may be assessed for each violation of the WQA, the WQCC Regulations, or this Discharge Permit, and civil penalties of up to $10,000 per day of noncompliance may be assessed for each violation of any other provision of the WQA, or any regulation, standard, or order adopted pursuant to such other provision. [NMSA 1978, § 74-6-10; NMSA 1978, § 74-6-10.1]

B. Pursuant to the NMSA 1978, Section 74-6-10.2(A-F), criminal penalties may be assessed for any person who knowingly violates or knowingly causes or allows another person to:

1. Make any false material statement, representation, certification or omission of material fact in an application, record, report, plan or other document filed, submitted or required to be maintained under the WQA;

2. Falsify, tamper with or render inaccurate any monitoring device, method or record required to be maintained under the WQA; or

3. Fail to monitor, sample or report as required by a permit issued pursuant to a state or federal law or regulation, is subject to felony charges and shall be sentenced in accordance with the provisions of NMSA 1978, Section 31-18-15.

D101 General Inspection and Entry Requirements

A. Nothing in this Discharge Permit shall be construed as limiting in any way the inspection and entry authority of NMED under the WQA, the WQCC Regulations, or any other applicable law or regulation. [20.6.2.3107 NMAC, 74-6-9(B) & (E) WQA]

B. The permittee shall allow the Secretary or an authorized representative of NMED, upon presentation of credentials to:

1. Enter at regular business hours or at other reasonable times upon the permittee's premises or other location where records must be kept under the conditions of this Discharge Permit, or under any federal or WQCC regulation.

2. Inspect and copy, during regular business hours or at other reasonable times, records required to be kept under the conditions of this Discharge Permit or under any federal or WQCC regulation.

3. Inspect, at regular business hours or at other reasonable times, any facility, equipment (including monitoring and control equipment for treatment works), practices or operations regulated or required under this Discharge Permit, or under any Federal or WQCC regulations.

4. Sample or monitor, at reasonable times for the purpose of assuring compliance with this Discharge Permit or as otherwise authorized by the WQA, any effluent, water contaminant, or receiving water at any location before or after discharge.

5. Nothing in this Discharge Permit shall be construed as limiting in any way the inspection and authority of the NMED under the WQA, the WQCC Regulations, or any other applicable law or regulation.

D102 General Record Keeping and Reporting Requirements

A. The permittee shall retain written records at the mill facility of all data and information on monitoring of groundwater, surface water, seepage, and meteorological conditions pursuant to this Discharge Permit including the following:

1. The dates, exact place and times of sampling or field measurement;
2. The name and job title of the individual who performed each sample collection or field measurement;
3. The date and analysis of each sample;
4. The name and address of the laboratory and the name and job title of the person that performed the analysis of each sample;
5. The analytical technique or method used to analyze each sample or take each field measurement;
6. The results of each analysis or field measurement, including the raw data;
7. A description of the quality assurance (QA) and quality control (QC) procedures used.

D103 Reporting Requirements for Unauthorized Discharges

A. In the event of a spill or release that is not authorized under this Discharge Permit, the permittee shall initiate the notification and corrective actions as required in 20.6.2.1203 NMAC. The permittee shall take immediate corrective action to contain and remove or mitigate any damage caused by the discharge. Within 24 hours after discovery of the discharge, the permittee shall verbally notify NMED and provide the information required by Paragraph (1) of Subsection A of 20.6.2.1203 NMAC. Within 7 days of discovering the discharge reportable under 20.6.2.1203 NMAC, the permittee shall submit a written report to NMED verifying the oral notification and providing any additional information or changes. The permittee shall submit a corrective action report within 15 days after discovery of the discharge. [20.6.2.1203 NMAC]

B. As part of the 24-hour spill notification requirements, the permittee shall submit a figure to NMED that clearly displays the location (or locations) of the spill and identifies nearby mill units by the end of the next business day.

D104 Monitoring Well Abandonment

A. The permittee shall submit a written request for NMED approval to amend or modify this Discharge Permit at least 30 days prior to the anticipated destruction or removal of any monitoring wells required by this Discharge Permit. Monitoring well plugging and abandonment shall be completed in accordance with the *Groundwater Discharge Permit Monitoring Well Construction and Abandonment Conditions,* Revision 1.1, March 2011, or according to regulations issued by the Office of the State Engineer in 19.27.7 NMAC, unless an alternate method is approved by NMED. [20.6.2.3107 NMAC]

B. The request required in D104.A shall include the following information:

1. A scaled map showing the location of the monitoring well(s) and the facilities it is intended to monitor;
2. The purpose for plugging and abandoning the monitoring well(s);
3. Details, if available, on the monitoring well(s) including depth-to-water elevation, top-of-casing elevation, construction and lithologic logs;
4. Recent groundwater chemistry results from the monitoring well(s);
5. Proposed replacement well(s), if applicable; and
6. Same details, as applicable, as provided in D104.B.1, D104.B.3, D104.B.4 above are required for the proposed replacement monitoring well(s).

D105 Modifications and Amendments

A. In the event the permittee proposes a change to the facility or the facility's discharge that would result in a change in the volume discharged; the location of the discharge; or in the amount or character of water contaminants received, treated or discharged by the facility, the permittee shall notify NMED prior to implementing such changes. The permittee shall obtain approval by NMED prior to implementing such changes, which may require modification or an amendment to this Discharge Permit. [20.6.2.3107.C NMAC; 20.6.2.3109.E, 20.6.2.3109.F, or 20.6.2.3109.G NMAC]

B. Pursuant to Subsection E of 20.6.2.3109 NMAC, NMED reserves the right to require a discharge permit modification in the event NMED determines that the requirements of 20.6.2 NMAC are being or may be violated, or the standards of Section 20.6.2.3103 NMAC are being or may be violated. This may include a determination that structural controls and/or management practices approved under this Discharge Permit are not protective of groundwater quality, and that more stringent requirements are needed to protect groundwater quality. The permittee may be required to abate water pollution.

D106 Compliance with Other Laws

A. Nothing in this Discharge Permit shall be construed in any way as relieving the permittee of its obligation to comply with all applicable Federal, State, and local laws, regulations, permits, or orders. The permittee does not waive any rights under such applicable Federal, State and Local Laws, regulations, permits, or orders except as expressly provided in this Discharge Permit. [20.6.2 NMAC] [NMSA1978, § 74-5-5(K)]

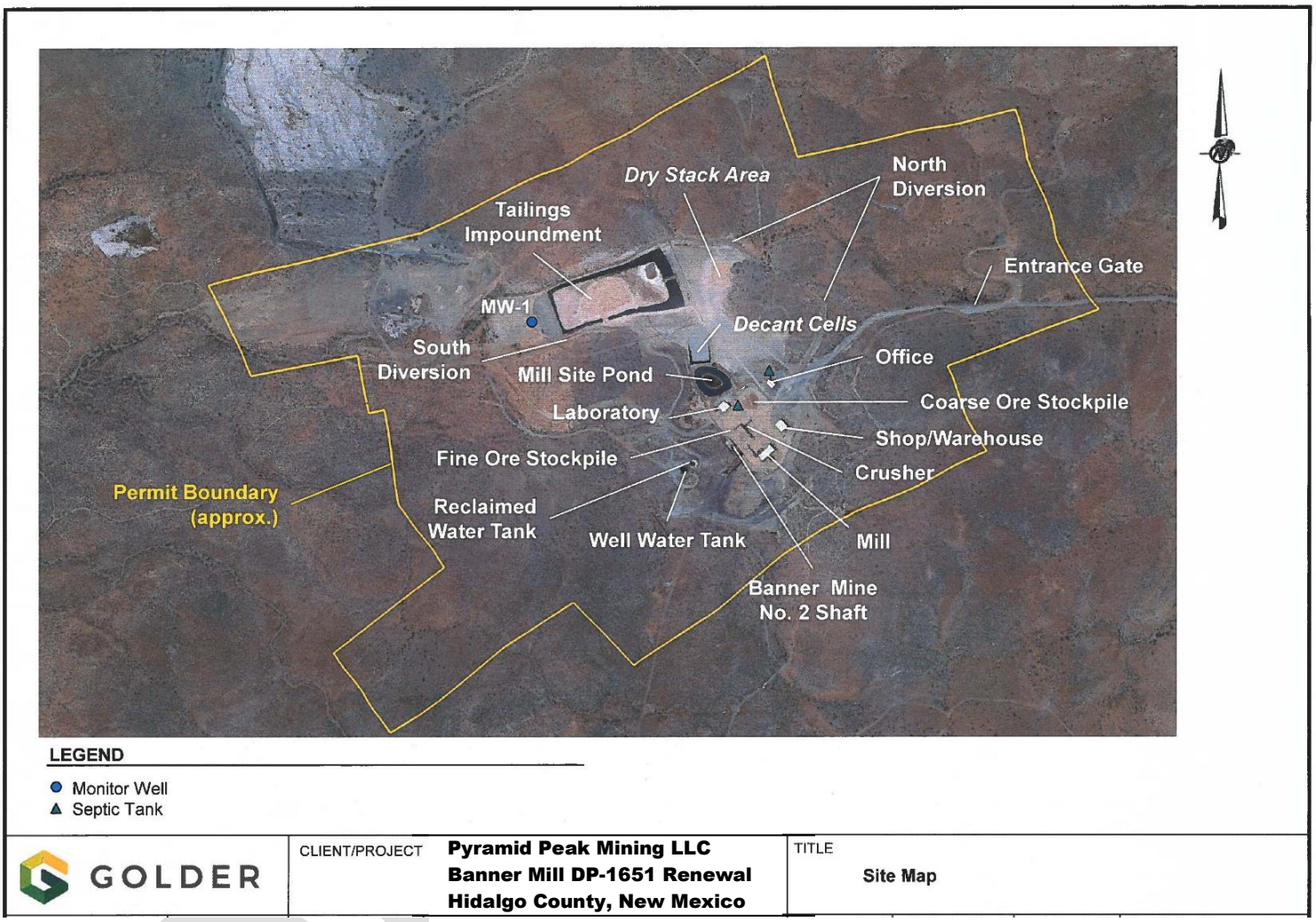
Dry Stack Area
North Diversion
Tailings Impoundment
Entrance Gate
MW-1
Decant Cells
South Diversion
Mill Site Pond
Office
Laboratory
Coarse Ore Stockpile
Shop/Warehouse
Fine Ore Stockpile
Crusher
Permit Boundary (approx.)
Reclaimed Water Tank
Well Water Tank
Mill
Banner Mine No. 2 Shaft
LEGEND
Monitor Well
Septic Tank
GOLDER
CLIENT/PROJECT
Pyramid Peak Mining LLC
Banner Mill DP-1651 Renewal
Hidalgo County, New Mexico
TITLE
Site Map

Figure 1

Table 1
Monitoring and Reporting Summary for DP-1651

Monitoring Report Schedule of Submittal (Subsection A of 20.6.2.3107 NMAC)						
	Semi-Annual Monitoring Reports due by January 31st and July 31st					
Reporting Summary						
Annual Reporting Frequency	**Number of Sites**	**Description**				
2	7	All applicable requirements of Subsection A through D of 20.6.2.3107 NMAC)				
Monitoring Schedule						
Location	**Name or ID**	**Sampling**				**Notes**
		Q1	Q2	Q3	Q4	
Monitoring Well						
	MW#1	W, B, C	W, B, C	W, B, C	W, B, C	
	Banner Shaft #2	W, B, C	W, B, C	W, B, C	W, B, C	
Ponds						
	Decant Pond	B, C	B, C	B, C	B, C	
	Mill Site Pond	B, C, O, N	B, C, O, N	B, C, O, N	B, C, O, N	
Stormwater Outfalls						
	South Diversion	B, C	B, C	B, C	B, C	
	North Diversion	B, C	B, C	B, C	B, C	
	Upper Mill Site Diversion	B, C	B, C	B, C	B, C	
Seeps						
	Stockpiles & Tailings Impoundment, (if discovered)	B, C	B, C	B, C	B, C	

Sampling Analytical Suites:
A = Field Parameters: pH, specific conductance
B = Indicator Parameters: Suite A, Sulfate, total dissolved solids (TDS)
C = Comprehensive inorganic suite: Al, As, Ca, Cd, Cl, Co, Cr, Cu, Ca, Cl, F, Fe, Pb, Mn, Na, K, Pb, Mn, Ni, Se, and Zn
W= Depth-to-water measurement to the nearest 0.01 foot
O= Total Petroleum Hydrocarbons (TPH)
N= Nitrate as nitrogen, total Kjeldahl nitrogen (TKN), and chloride

Explanation of Abbreviations and Symbols

Sampling Quarters:
Q1 = Jan – Mar
Q2 = Apr – Jun
Q3 = July – Sep
Q4 = Oct - Dec

Sampling Analytes Suite C:
alk-HCO_3= alkalinity-bicarbonate
alk-CO_3=alkalinity-carbonate
Cr = Chromium
Ca = Calcium
Co = Cobalt
Mg = Magnesium
Cu = Copper

		Na = Sodium K = Potassium F = Fluoride Cl = Chloride Al = Aluminum As = Arsenic Cd = Cadmium	Fe = Iron Pb = Lead Mn = Manganese Ni = Nickel Se = Selenium Zn = Zinc

Table 2 – Flow Volumes

Flow Description	Site Description	Frequency
Tailings Slurry to the Tailings Impoundment (GPW)	Tailings Impoundment Discharge Line[1]	Weekly
Water produced from the Banner Mine No. 2 Shaft (GPW)	Banner Shaft No. 2 Pump[1]	Weekly

1.Totalizer Flow Meter

Table 3 – Other Monitoring

Measurement	Location	Frequency
Tailings Discharge – Solid fraction for whole rock analysis & ABA	Tailings Impoundment Discharge Line	Quarterly
Surface Water Elevations[2]	Mill Site Pond Surface and Tailings Pond Surface (AMSL)	Quarterly
Precipitation (inches per day)	Banner Mill Site	Daily
Acid Generation and Neutralizing Potential of Ore	Coarse Ore Stockpile	Prior to Processing Ore other than the Summit Mine

2. Recorded at same time as water samples are collected